

SUBCOMMITTEE NO. 2

Agenda

Sheila Kuehl, Chair
Bob Dutton
Alan Lowenthal



Monday, May 8, 2006
1:00 p.m.
Room 112

Agenda Part I

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Resources—Environmental Protection—Energy

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CALFED Program

Governor's Budget. The Governor's Budget proposes \$250 million (\$26 million General Fund) for the state share of the CALFED Program. This is about \$75 million less than estimated expenditures in the current year due to a reduction in resources bond funds available for appropriation. General Fund support for the program is estimated to increase by nearly \$15 million in the budget year due to increases in funding for delta levees.

Finance Letter. A Finance Letter (dated April 18, 2006) proposes to transfer 68 of the 71 existing positions from the California Bay-Delta Authority to the Office of the Secretary for Resources. The proposal contained in the letter does not recommend legislation to eliminate the California Bay-Delta Authority as an independent entity or implement the Governor's new CALFED governance recommendations.

Previous Subcommittee Direction. At the May 1 hearing of the Subcommittee, issues were raised regarding the Governor's 10-year Action Plan for the CALFED Program. Specific issues were raised regarding the following proposals:

- The governance proposal and budget proposal to shift the Bay-Delta Authority staff to the Office of the Secretary for Resources;
- The process for developing the 100-Year Delta Vision;
- Cost sharing for the Delta Levees Program;
- Development of a conservation plan for the Delta; and
- The components of the South Delta Improvement Program.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the Governor's proposal for CALFED expenditures at the Department of Fish and Game (see page 4).
- Approve CALFED expenditures and other Delta-related expenditures at the Department of Water Resources consistent with the table that begins on page 6.
- Approve the Governor's proposal for CALFED expenditures at the State Water Resources Control Board (see page 15).
- Approve the Governor's proposal for CALFED expenditures at the Department of Conservation (see page 17).
- Approve the Governor's proposal for CALFED expenditures at the Department of Forestry and Fire Protection (see page 17).
- Approve the Governor's proposal for CALFED expenditures at the San Francisco Bay Conservation and Development Commission (see page 18).
- Reject the Governor's Finance Letter proposal and instead transfer all California Bay-Delta Authority positions and contracts to the Department of Water Resources, Department of Fish and Game, Department of Health Services, and the Resources Agency (see page 19). Selected vacant positions are proposed to be abolished and resultant savings directed to the Resources Agency to support the following recommendation:
- Request staff, in consultation with the departments, LAO, and DOF, to develop trailer bill language to direct a new Deputy Secretary on Delta Resources at the Resources Agency to develop a Delta Action Plan to create a sustainable Delta. This plan should include the

definition of a sustainable Delta, measurable goals and objectives, the necessary institutional structures to implement the plan, a strategic financing plan, a contingency plan and adaptive management strategies.

Justification. Staff provides the following justification for the recommended actions above:

- **Current Approach Does Not Work.** The problems facing the CALFED program have been well documented by the LAO, the Little Hoover Commission, the Department of Finance, and KPMG (a private consultancy firm). As noted by the LAO, “These reviews found common agreement that the current governance structure is not working well, state priorities for CALFED are not clear, and meaningful performance measures for the program are lacking.”
- **Proposed Solutions Do Not Solve the Problems.** The Governor’s Finance Letter proposes to transfer the existing California Bay-Delta Authority staff and contracts to the Resources Agency. While such a move might seem to make it clear that the Resources Secretary is responsible for the success of the program, it does nothing to resolve the more fundamental problems facing the CALFED program.
- **Need to Continue Current Projects.** Regardless of the ultimate fate of CALFED, there are many projects proposed to be funded through this budget that are critical to developing a sustainable delta. Simply zeroing out the CALFED budget is not an option.
- **Need A New Game Plan.** Many of the assumptions made by the authors of the CALFED Record of Decision have proved false. These include program management assumptions such as schedules, funding, and priorities, as well as more fundamental scientific assumptions about how the delta ecosystem functions, the seismic stability of the levees, and the potential impacts of global climate change. In fact, many believe the delta is not sustainable in its current configuration.

The staff recommendation would establish a new deputy secretary with a small staff in the resources agency. The deputy secretary would be charged with continuing to coordinate the actions of the CALFED implementing agencies and the development of a Delta Action Plan. The plan would include a description or definition of a sustainable delta, a set of measurable goals and objectives for achieving sustainability, institutional changes necessary to implement the action plan, a strategic financing plan, various contingency plans, and a prioritized list of actions necessary to achieving a sustainable delta.

The action plan would build on the results of the delta risk management study (funded in this budget), the report required under AB 1200 (Laird), and the delta visioning process. In addition, it would likely require an assessment of current and projected land uses and land use patterns, climate change hydrology, and other technical studies.

The staff recommendation would transfer current California Bay-Delta Authority staff and contracts to the agencies responsible for implementing projects and programs. The science program staff would be transferred to the Resources Agency. The administrative staff would be distributed among the agencies based on the type of support provided (e.g., managing ecosystem grants) and known deficiencies in agencies (e.g., accounting needs in Fish & Game).

3600 Department of Fish and Game

Staff Recommendation. Staff recommends that the Subcommittee approve as budgeted the Delta-related funding for the Department of Fish and Game.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports positions to ensure that CALFED program is in compliance with environmental laws and regulations.	\$166	General Fund	2.0	X
Ecosystem Restoration Program				
<i>Base Budget</i>				
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$4,276	Prop 50	33.8	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$628	General Fund	5.0	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$490	Reimbursements	4.0	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$239	Federal	2.3	X
<i>Finance Letter</i>				
- Supports development of NCCP/HCP for the Central Valley.	\$2,000	State Water Project Funds	16.0	X
- Supports contracts with local jurisdictions to support development of NCCP/HCP for the Central Valley.	\$500	Federal Funds		X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Switch funding of five existing positions supported by Proposition 50 bond funds to State Water Project Funds.	-\$263	Prop 50	-5.0	X
Conveyance Program				
<i>Base Budget</i>				
- Supports studies to define fish movement in the delta, assists in the development of technologies in water transfer and fish screening, and examines sources of predation.	\$84	General Fund	1.0	X
Science Program				
<i>Base Budget</i>				
- Collects and analyzes data on delta resident fishes and tracks Interagency Ecological Program listed species.	\$464	Federal	4.3	X
- Collects and analyzes data on delta resident fishes and tracks Interagency Ecological Program listed species.	\$294	Fish and Game Preservation Fund, Dedicated	1.0	X
Total Governor's Budget	\$8,878		64.4	
Total Senate Budget	\$8,878		64.4	

3860 Department of Water Resources

Staff Recommendation. Staff recommends that the Subcommittee approve the following CALFED-related activities for the Department of Water Resources.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports review of CALFED-related encroachment permit applications submitted to the Reclamation Board.	\$279	General Fund	2.0	X
Ecosystem Restoration Program				
<i>Base Budget</i>				
- Supports federal-state cost-share agreement between DWR, USBR, USFWS, and DFG for fishery restoration activities.	\$1,575	Prop 204	1.0	X
- Supports Fish Passage Improvement Program to do fish passage assessment.	\$297	Prop 50	2.0	X
- Supports Aquatic Restoration Planning and implementation program to facilitate environmental enhancement by developing habitat restoration and fish passage in the Yolo Basin.	\$1,002	Prop 50	3.0	X
- Supports activities to manage the Four Pumps Agreement to mitigate fish loss at the State Water Project's Delta Pumping Plant.	\$6,452	State Water Project Funds	5.2	X
<i>Budget Change Proposal</i>				
- Supports a contract with DFG to fund several multi-year ecosystem restoration projects that need additional funding for completion.	\$10,900	Prop 13	0.0	X
- Supports construction of a larger scale aeration demonstration project at the San Joaquin River Deep Water Ship Channel.	\$3,600	Prop 13	0.0	X
- Supports operation and maintenance of the aeration demonstration project.	\$600	Prop 13	3.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Finance Letter</i>				
- Support development of data and actions for the HCCP/NCP for the Central Valley, including assessment and planning of fish passage improvements and invasive fish species eradication.	\$817	Prop 50	4.0	X
- Support development of a Memorandum of Understanding, a Planning Agreement, and preliminary work on one or more HCP/NCCPs for the Central Valley. The SWP contracts and CVP contractors will collectively contribute \$3 million annually to support this effort at DWR, DFG, USFWS, and NOAA for three years.		SWP Funds	3.0	X
- Extend liquidation of \$8.2 million to construct facilities to control waste discharges that contribute to low dissolved oxygen and other problems on the San Joaquin River and in the South Delta and to construct facilities to control drainage from abandoned mines.		Prop 13	0.0	X
Environmental Water Account				
<i>Base Budget</i>				
- Environmental Water Account asset purchases.	\$8,800	Prop 50	0.0	X
- Environmental Water Account purchases state support.	\$143	Prop 50	1.7	X
Water Use Efficiency				
<i>Base Budget</i>				
- Supports the California Irrigation Management Information System and provides technical assistance and outreach for water conservation activities.	\$1,124	General Fund	6.0	X
- Supports the administration of the CALFED Water Use Efficiency grant program, the administration of the desalination grant program, and technical assistance on water recycling projects.	\$2,597	Prop 50	9.4	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports technical assistance and review of agricultural water management plans, urban water management plans, and development of new water conservation technologies. <i>Budget Change Proposal</i>	\$1,885	Energy Resources Program Account	10.0	X
- Supports grants for water use efficiency projects (50 percent allocated to urban projects and 50 percent allocated to agricultural projects).	\$30,136	Prop 50	0.0	X
- Grant program administration and technical assistance.	\$2,034	Prop 50	0.0	X
- Supports loans for agricultural water conservation. Loans can be used to match grant funds. <i>Finance Letter</i>	\$15,000	Prop 13	0.0	X
- Reappropriate \$5.2 million in water use efficiency grants appropriated in 2003.		Prop 50	0.0	X
Watershed Program				
<i>Base Budget</i>				
- Supports administration of the CALFED Watershed grant program.	\$252	Prop 50	2.0	X
<i>Budget Change Proposal</i>				
- Technical staff support for the Watershed Program.	\$667	Prop 50	3.3	X
<i>Finance Letter</i>				
- Reappropriate \$19 million for the Watershed Grant Program.		Prop 50	0.0	X
Drinking Water Quality				
<i>Base Budget</i>				
- Supports contract to model options for improving water quality in the Delta.	\$81	General Fund	0.0	X
- Supports data analysis and Delta computer modeling support for the CALFED drinking water quality program. The current focus is on improving water quality modeling of the upper San Joaquin River.	\$162	Prop 50	1.0	X
- Supports the development of the Franks Tract Project.	\$309	State Water Project Funds	1.9	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				
- Supports evaluating several possible alternatives for the Franks Tract Pilot Project.	\$1,245	Prop 13	3.5	X
- Supports evaluating several possible alternatives for the Franks Tract Pilot Project.	\$4,618	Prop 50	0.0	X
- Supports evaluating several possible alternatives for the Franks Tract Pilot Project.	\$600	State Water Project Funds	0.0	X
- Supports final design and construction of the Franks Tract Pilot Project.	\$2,800	Prop 50	0.0	
- Supports final design and construction of the Franks Tract Pilot Project.	\$5,500	State Water Project Funds	0.0	
<i>Finance Letter</i>				
- Funding to start a new multi-year study conducted by USGS to evaluate methods to improve conveyance and water quality in the Delta. The study is the Low Intensity Chemical Dosing Project and will evaluate ways of reducing dissolved organic carbon levels in Delta drinking water supplies.	\$1,534	Prop 13	0.0	X
Levees				
<i>Base Budget</i>				
- Supports staff to implement the Delta Levees Special Projects Program, Delta Levee Maintenance Subvention Program, Emergency Response, Risk Management, and Subsidence Research.	\$1,135	Prop 50	13.0	X
- Supports staff to implement the Delta Levees Special Projects Program, Delta Levee Maintenance Subvention Program, Emergency Response, Risk Management, and Subsidence Research.	\$373	State Water Project Funds	2.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				
- Subventions for delta levee projects.	\$8,370	General Fund	0.0	X
- Subventions for delta levee projects.	\$995	Delta Flood Protection Fund	0.0	X
- Supports the Delta Risk Management Study.	\$2,000	General Fund	0.0	X
- Supports the Delta Risk Management Study.	\$1,000	Prop 50	0.0	X
- Supports Delta levee program staff.	\$3,635	General Fund	18.0	X
- Supports various studies and other Delta-related contracts.	\$400	General Fund	0.0	X
- Supports various contracts.	\$600	General Fund	0.0	X
<i>Finance Letter</i>				
- Extend liquidation of \$2.5 million in subventions appropriated in 2003 to local districts completing 14 projects that are part of the Delta Levees Special Flood Control Projects Program.		Prop 50	0.0	X
Water Supply Reliability				
<i>Base Budget</i>				
- Supports staff and contracts for projects that increase water supply reliability through the planned and coordinated management of groundwater and surface water resources, including managing 22 MOU partnerships throughout the state.	\$6,806	Prop 50	16.6	X
<i>Finance Letter</i>				
- Extend liquidation of \$200,000 to support a contract with CSU, Sacramento to provide facilitation services for program activities.		Prop 50		X
Conveyance Program				
<i>Base Budget</i>				
- Supports North Delta Flood Control and Ecosystem Restoration Project.	\$477	General Fund	3.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports design and construction of permanent operable barriers, which is part of the South Delta Improvement Program.	\$10,000	State Water Project Funds	20.0	X
- Supports contract and position to evaluate Clifton Court Fish Screen intake alternatives.	\$1,000	State Water Project Funds	1.0	X
- Supports contract and position to evaluate water quality improvements from the Through-Delta Facility and additional modeling and evaluation of alternatives to this facility.	\$800	State Water Project Funds	1.0	X
- Supports construction and removal of temporary rock barriers in the south delta.	\$6,600	State Water Project Funds	2.0	X
- Supports management of the Conveyance Program.	\$102	State Water Project Funds	0.5	X
<i>Budget Change Proposal</i>				
- Evaluate cost-effective fish facility improvement alternatives at the State Water Project and Central Valley Project intake facilities.	\$990	Prop 13	0.0	Hold Open
- Continue fish collection, handling, transportation and release study and for review of Tracy Fish Test Facility Project (supports 9 existing positions).	\$2,554	Prop 13	0.0	Hold Open
- Support fisheries related studies and make recommendations related to the Through-Delta facility (supports 5 existing positions).	\$2,000	Prop 13	0.0	X
- Supports final design and construction costs for the South Delta Improvements Program permanent operable barriers.	\$26,600	Prop 13	0.0	X, with TBL
- Supports final design and construction costs for the South Delta Improvements Program permanent operable barriers.	\$15,000	Prop 50	0.0	X, with TBL
<i>Finance Letter</i>				
- Reappropriate \$707,775 to continue the second phase of investigations of the South Delta Hydrodynamic Investigations.		Prop 13	0.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Reappropriate \$4.2 million from funds appropriated in 2004 and 2005 to support the ongoing study to improve design, collection, and operation of fish collection, handling, transportation and release facilities.		Prop 13	0.0	X
- Extend liquidation of \$154,079, for the second time, that remains to support an ongoing study of hydrodynamics and fishery response to water operations in and around the Delta Cross Channel.		Prop 13	0.0	X
Science Program				
<i>Base Budget</i>				
- Supports contracts and positions for monitoring and special studies of the water quality and ecology in the Delta. Supports \$3.5 million in contracts with DFG, USFWS, USGS, and various universities and laboratories.	\$7,279	State Water Project Funds	21.7	X
Storage Program				
<i>Budget Change Proposal</i>				
- Reversion of \$5.5 million in Proposition 50 bond funds appropriated in 2003 and 2004.		Prop 50	0.0	X
- Supports evaluation of common assumptions to help evaluate which storage proposal is the preferred storage alternative.	\$1,300	Prop 50	2.5	X
- Supports evaluation of a North of Delta storage facility (Sites reservoir).	\$3,100	Prop 50	19.0	X
- Supports a contract with the Contra Costa Water District to evaluate enlarging Los Vaqueros reservoir.	\$1,000	Prop 50	1.3	X, with BBL
- Supports evaluation of additional storage on the upper San Joaquin River.	\$1,000	Prop 50	3.0	X
- Supports contract with Santa Clara Valley Water District to complete the San Luis Point Bypass feasibility study.	\$1,999	Prop 13	0.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Finance Letter</i>				
- Extend liquidation of \$2.1 million for a contract with the Santa Clara Valley Water District for the San Luis Bypass feasibility study.		Prop 13	0.0	X
Total Governor's Budget	\$212,124		186.6	
Total Senate Budget	\$200,280		186.6	

Justification. Staff provides the following justification for the recommended actions above:

- **Franks Tract Pilot Project.** Staff recommends deleting funding for construction of the Franks Tract Pilot Project in the budget year. The DWR indicates that it will not proceed to construction in the budget year because it is still evaluating several alternatives for this project.
- **Collection, Handling, Transportation, and Release Studies.** Staff recommends holding these issues open pending additional information from the department on the funding actually needed in the budget year to continue these fish studies. The department is also proposing to reappropriate \$4.2 million in unexpended funds for what seems like a similar study in the budget year.
- **Permanent Operable Barriers.** Staff recommends approving funding to start construction on the permanent operable barriers in the South Delta. However, staff also proposes trailer bill language that requires additional environmental review before pumping can be increased to 8,500 cubic feet/second. Staff understands that this is consistent with DWR's plans.
- **Los Vaqueros Reservoir.** Consistent with the budget bill language included in the budget last year, staff recommends that the Subcommittee approve budget bill language that allows expenditure of these funds only after regional partners in the Los Vaqueros Reservoir execute an agreement to work together to continue investigation and planning for Los Vaqueros.

Staff Recommendation. Staff also recommends funding the following budget proposals that are related to the Delta, but not included in the administration's summary of total expenditures on the CALFED program.

Activity	Amount	Fund Source	Positions	Approve
Sacramento Valley Water Management Program				
<i>Budget Change Proposal</i>				
- Funding to complete environmental documents supporting the Sacramento Valley Water Management Program.	\$60	Prop 204	0.0	X
State Water Project				
<i>Budget Change Proposal</i>				
- Establish a position to provide legal advice and expertise regarding State Water Project contracting and environmental compliance issues.		State Water Project Funds	1.0	X
- Establish a position to support biological studies to guide restoration efforts in the Yolo Bypass.		State Water Project Funds	1.0	X
- Establish positions to implement the terms and conditions required under OCAP for ongoing operations of Oroville Facilities.		State Water Project Funds	3.0	X
- Establish a position and contracts to support the Interagency Ecological Program.		State Water Project Funds	1.0	X
- Establish positions to support SWRCB mandated Water Quality Compliance Monitoring programs to carry out compliance monitoring for SWRCB Decision D-1641.		State Water Project Funds	4.0	X
- Establish positions to support administration and program control for the Division of Environmental Services.		State Water Project Funds	3.0	X
- Establish a position to support complex modeling analysis of the Delta.		State Water Project Funds	1.0	X
- Restore positions to support the operation of the State Water Project.		State Water Project Funds	80.0	X

3940 State Water Resources Control Board

Staff Recommendation. Staff recommends that the Subcommittee approve as budgeted the CALFED-related funding for the State Water Resources Control Board.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Water Use Efficiency Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED water use efficiency grant program and provide technical assistance on water recycling projects.	\$153	Prop 13	1.6	X
- Supports staff to administer the CALFED water use efficiency grant program and provide technical assistance on water recycling projects.	\$902	Prop 50	9.0	X
<i>Budget Change Proposal</i>				
- Supports grants for water recycling projects.	\$7,000	Prop 13		X
Watershed Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED Watershed grant program and provide technical assistance on watershed projects.	\$82	Prop 13	0.8	X
- Supports staff to administer the CALFED watershed grant program.	\$100	Prop 50	1.0	X
<i>Budget Change Proposal</i>				
- Supports watershed grants.	\$5,990	Prop 50		X
- Supports watershed grants.	\$276	Prop 13		X
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED Drinking Water grant program and provide technical assistance on drinking water projects.	\$82	Prop 13	0.8	X
- Supports staff to administer the CALFED Drinking Water grant program and provide technical assistance on drinking water projects.	\$124	Prop 50	1.3	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				
- Funding for non-point source pollution control grants.	\$101	Prop 13		X
- Funding for drinking water quality grants.	\$3,429	Prop 50		X
Total Governor's Budget	\$18,239		14.5	
Total Senate Budget	\$18,239		14.5	

3480 Department of Conservation

Staff Recommendation. Staff recommends that the Subcommittee approve as budgeted the CALFED-related funding for the Department of Conservation.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports a position to review projects for consistency with the CALFED program.	\$96	Soil Conservation Fund	1.0	X
Watershed Program				
<i>Base Budget</i>				
- Program delivery associated with the Watershed Coordinator Grant Program.	\$228	Prop 50	2.0	X
Total Governor's Budget	\$324		3.0	
Total Senate Budget	\$324		3.0	

3540 Department of Forestry and Fire Protection

Staff Recommendation. Staff recommends that the Subcommittee approve as budgeted the CALFED-related funding for the Department of Forestry and Fire Protection.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Watershed Program				
<i>Base Budget</i>				
- Technical assistance and outreach activities that provide information on issues concerning the impacts of wildfire and forest management on watershed health to watershed groups and CALFED agencies, including supporting development of the California Watershed Manual.	\$159	Prop 50	0.0	X
Total Governor's Budget	\$159		0.0	
Total Senate Budget	\$159		0.0	

3820 San Francisco Bay Conservation and Development Commission

Staff Recommendation. Staff recommends that the Subcommittee approve as budgeted the CALFED-related funding for the San Francisco Bay Conservation and Development Commission.

Activity	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports permitting for CALFED projects and beneficial use of dredged materials for Delta levees.	\$88	General Fund	1.0	X
Total Governor's Budget	\$88		1.0	
Total Senate Budget	\$88		1.0	

4260 Department of Health Services

Budget Summary. The base budget includes \$125,000 for the Department of Health Services for support of the CALFED program.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports development of a regional strategic framework, performance measures, and conceptual models.	\$125	Prop 50	0.0	X
Total Governor's Budget	\$125		0.0	
Total Senate Budget	\$125		0.0	

3870 California Bay-Delta Authority

0540 Secretary for Resources

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the transfer of positions and contract funding proposed to support the Bay-Delta Authority in the budget year to the following departments and agency.
- Request that staff work with the departments, DOF and the LAO to address technical and staffing issues that may arise from the recommended action.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports tracking CALFED funding and accomplishments, assuring public involvement, and assisting with regional implementation of the CALFED program. Funding supports positions and \$2.5 million in contracts for fiscal, personnel, and legal services.	\$6,746	General Fund	45.0	See table below.
Ecosystem Restoration Program				
- Supports administration of existing ecosystem restoration program contracts, strategic planning, and program tracking.	\$375	General Fund	3.0	Transfer to DFG
- Supports multi-year grants for mine remediation, evaluation of a pilot aeration project and source identification studies related to low dissolved oxygen.	\$9,752	Reimbursements	0.0	Transfer to DWR
- Funds staff to support studies and grants to address water quality problems causing low dissolved oxygen in the Stockton Deep Water Ship Channel, mercury issues, and other water quality issues.	\$269	Reimbursements	3.0	Transfer to DWR
- Supports staff to coordinate regional strategic planning, program performance tracking, on-going program level science integration, and external review.	\$392	Prop 50	4.0	Transfer to DFG

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports contracts to assist farmers in integrating ecosystem restoration activities with agriculture, manage an ecosystem restoration program tracking database, coordinate development of conceptual models to support the Delta Regional Ecosystem Restoration Implementation Plan, assist in developing performance measures, coordinating mercury issues, and external review of proposed grants.	\$1,652	Prop 50	0.0	Transfer to DFG
Environmental Water Account				
<i>Base Budget</i>				
- Supports contracts to assist program implementation and performance tracking.	\$27	General Fund	0.0	Transfer to DFG
Water Use Efficiency Program				
<i>Base Budget</i>				
- Supports contracts to assist with program implementation and performance tracking.	\$333	General Fund	0.0	Transfer to DWR
Watershed Program				
<i>Base Budget</i>				
- Supports a position to coordinate the Watershed Program.	\$117	General Fund	1.0	Transfer to DWR
- Supports a position and contracts to assist with program implementation, program oversight, and performance tracking.	\$794	Prop 50	1.0	Transfer to DWR
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports development of performance measures, strategic planning, drinking water data model development, and program-level science.	\$253	General Fund	2.0	Transfer to DHS
- Supports Old River and Rock Slough Drainage Management Projects and the Low Intensity Chemical Dosing Project.	\$4,835	Reimbursements	0.0	Transfer to DWR

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Levee Program				
<i>Base Budget</i>				
- Supports a contract to perform an inventory of structures in the Delta as part of the Delta Risk Management Study.	\$14	General Fund	0.0	Transfer to DWR
Storage Program				
<i>Base Budget</i>				
- Supports a position to provide ongoing technical support and guidance to the Common Assumptions process.	\$113	General Fund	1.0	Transfer to DWR
- Supports contracts to assist with program implementation and performance tracking.	\$158	General Fund	0.0	Transfer to DWR
Conveyance Program				
<i>Base Budget</i>				
- Supports contracts for the Clifton Court Fish Screens, to evaluate water quality improvements related to the Delta Cross Channel re-operation and Through-Delta facility alternatives, and South Delta Fish Protection studies.	\$378	General Fund	0.0	Transfer to DWR
- Supports contracts for the Clifton Court Fish Screens, to evaluate water quality improvements related to the Delta Cross Channel re-operation and Through-Delta facility alternatives, and South Delta Fish Protection studies.	\$44	Prop 50	0.0	Transfer to DWR
Science Program				
<i>Base Budget</i>				
- Supports science conferences and training.	\$3	General Fund	0.0	Transfer to Secretary
- Supports contracts to conduct Delta hydrodynamic, fish and special studies, including the Delta Smelt population in the Delta.	\$2,030	Reimbursements	0.0	Transfer to Secretary

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports contracts and positions to support the independent science board and technical panels.	\$2,948	Prop 50	11.0	Transfer to Secretary
<i>Finance Letter</i>				
- Reappropriation of \$21.9 million appropriated in 2002 to support the Science Program.		Prop 50		Transfer to Secretary

Allocation of Oversight and Coordination. Staff recommends that the Subcommittee allocate staff according to the allocation in the table on the next page. Staff has requested additional information on vacant positions and the quantity and nature of the contracts that support oversight and coordination. This information is needed to determine the most appropriate allocation for the positions and contracts and to determine which positions could be eliminated. The table on the next page is a starting point and staff recognizes that considerable refinement is needed based on additional information and discussions with the departments.

	Secretary for Resources	DWR	DFG	Total
Director	1.0			1.0
Admin Assistant	1.0			1.0
CEA		2.0		2.0
Executive Assistant		2.0	1.0	3.0
Legal			1.0	1.0
Staff Services Analyst		1.0	2.0	3.0
Staff Services Manager I	1.0	1.0		2.0
Staff Services Manager II			2.0	2.0
Staff Services Manager III			1.0	1.0
Associate Governmental Program Analyst	1.0	2.0	6.0	9.0
Business Service Officer I			1.0	1.0
Business Service Officer II			1.0	1.0
Staff Information Systems Analyst			1.0	1.0
Associate Information Systems Analyst		1.0	1.0	2.0
Information Systems Technician			1.0	1.0
Staff Program Analyst			1.0	1.0
Senior Accounting Officer		1.0		1.0
Staff Environmental Scientist			2.5	2.5
Environmental Program Manager I			1.0	1.0
Program Manager I		1.0		1.0
Program Manager II		1.0	1.0	2.0
Program Manager III			1.0	1.0
Supervising Engineer, Water Resources		2.0		2.0
Recreation and Wildlife Resources Advisor			0.5	0.5
Research Analyst II			1.0	1.0
Associate Budget Analyst			1.0	1.0
Total	4.0	14.0	27.0	45.0